

# **Fiscal Services Division**

## **Legislative Services Agency**

### **Fiscal Note**

---

HF 804 - Core Curriculum & Standards Expansion (LSB 2807 HV.2)

Analyst: Robin Madison (Phone: (515) 281-5270) ([robin.madison@legis.state.ia.us](mailto:robin.madison@legis.state.ia.us))

Fiscal Note Version – Amendment H-1531 to House File 804

Requested by Representative Philip Wise

---

#### **Description**

House File 804 requires the State Board of Education to adopt rules to establish a model core curriculum for grades Kindergarten through 12 that includes reading, mathematics, science, social studies, and 21<sup>st</sup> Century learning skills, including but not limited to civic, health, technology, and financial literacy and employability skills. The Board must also adopt core content standards in grades Kindergarten through 12 in reading, mathematics, and science identical to those included in Iowa's federally-approved 2006 standards and assessment system.

House File 804 requires local school districts and accredited nonpublic schools to include the State's model core curriculum and core content standards, at a minimum, in local standards. The Bill requires the Department of Education to:

- Assess the readiness of local school districts to adopt and support the model core curriculum.
- Assess the professional development necessary to support teachers in improved instruction.
- Identify barriers to full adoption of the model core curriculum statewide.
- Develop technical assistance necessary to assist all districts in implementing the model core curriculum.

The Department must submit a report to the General Assembly, including recommendations for action, by January 14, 2008.

Amendment H-1531 requires the State Board of Education to:

- Adopt by July 1, 2009, for grades 9 through 12, a model core curriculum, core content standards for all academic subject areas, and graduation requirements based on the core curriculum and content standards. The Department of Education must develop a model core curriculum for grades 9 through 12 that, among other things:
  - Includes standards for 21<sup>st</sup> Century preparedness as measured by national and international assessments.
  - Includes English, reading/language arts, mathematics, science, foreign languages, civics, government, economics, art, history, and geography.
  - Includes 21<sup>st</sup> Century content in global awareness and financial, economic, civic, and business literacy.
  - Is benchmarked on national and international assessments and the core content standards adopted by the Board.

- Adopt rules requiring school districts and accredited nonpublic schools to implement an examination, correlated to international assessments, to assess student learning prior to high school graduation.
- Adopt by July 1, 2010, for grades Kindergarten through 8, a model core curriculum and core content standards developed by the Department of Education that includes 21<sup>st</sup> Century knowledge and skills. The Department of Education is required to seek a federal waiver as necessary to avoid negative consequences under the No Child Left Behind Act (NCLB).

Amendment H-1531 requires school districts and nonpublic schools to annually report the percentage of students graduating who have completed the model core curriculum or a more rigorous core curriculum established by the district.

The Amendment requires the Department to provide effective, sustainable, timely, and affordable assessments for districts and nonpublic schools to use to measure 21<sup>st</sup> Century knowledge and skills and individual student learning.

### **Background**

In preparing a fiscal estimate for Amendment H-1531, the Legislative Services Agency sought and received estimates from the Department of Education and the Institute for Tomorrow's Workforce (ITW). **Attachment A** provides a spreadsheet detailing the two estimates.

In regard to core content standards, the Department of Education interprets the Amendment's phrase "all academic subject areas" to mean those areas listed in Section 256.11, Code of Iowa, that districts are required to offer and teach: English-language arts, social studies (including U. S. history and government), mathematics, science (including physics and chemistry), health, human growth and development, physical education, traffic safety, fine arts (including dance, music, theater, and visual art), technology education, and foreign language. Core content standards have been developed for grades 3 through 8 and grade 11 in reading and mathematics and for grades 5, 8 and 11 in science. Standards for the remaining grades and subjects required by the Amendment would have to be developed.

In regard to assessment, the Department interprets the Amendment's description of the model core curriculum for grades 9 through 12 to require development of three separate content areas and assessments for global awareness, civic engagement, and financial, economic, and business literacy. This is in contrast to the Bill, which the Department believes anticipates infusion of 21<sup>st</sup> Century content into existing content areas.

The Amendment requires that the model core curriculum for grades 9 through 12 be benchmarked on national and international assessments. The National Assessment of Educational Progress (NAEP) is a national assessment that is benchmarked to two international assessments. However, NAEP is limited to assessing knowledge in reading, mathematics, science, and writing. It does not assess discrete 21<sup>st</sup> Century skills and is not permitted as an assessment for federal accountability purposes under NCLB. In addition, NAEP is administered to a sampling of Iowa students by a national organization, not at the State's discretion. It provides only state-level data, rather than district-level data that could be used for school improvement. District-level data is available to districts that meet size requirements, but none of Iowa's districts are large enough to qualify.

COMPASS is the only available assessment of 21<sup>st</sup> Century knowledge and skills, and it is a standardized test that compares a student's performance to the performance of other students. Performance-based assessments of 21<sup>st</sup> Century knowledge and skills, which would compare a student's performance to a set of standards, do not yet exist and would have to be developed. According to the Department, development of these assessments would be significantly more costly than assessments in traditional content areas and would require at least two years to complete and field test.

In order to avoid negative consequences under NCLB as a result of the adoption of core content standards for grades Kindergarten through 8, a plan amendment would have to be granted by the United States Department of Education; typically, the U. S. Department of Education has denied requests for such amendments. In lieu of an amendment, Congressional action would be required. The Department has cited at least one instance where a state (Oregon) lost Title I funding as a result of adopting new standards.

### **Assumptions**

- The estimate from the Department of Education represents the maximum potential fiscal impact to the State as a result of Amendment H-1531 (see **Attachment A**).
- The range of potential fiscal impact was obtained by substituting the ITW's estimate of \$705,000 for the cost of developing core content standards and by assuming a minimum cost of \$3.0 million to obtain assessments of 21<sup>st</sup> Century skills and knowledge developed by other states or entities.

### **Fiscal Impact**

The fiscal impact of Amendment H-1531 to HF 804 to the State of Iowa is estimated to be between \$4.4 and \$114.1 million in FY 2008 and FY 2009 and between \$1.0 and \$4.2 million annually, thereafter.

State Costs	FY 2008		FY 2009		FY 2010	
	Min.	Max.	Min.	Max.	Min.	Max.
Develop model core curric.	\$ 875,000	\$ 875,000	\$ 875,000	\$ 875,000	\$ 500,000	\$ 500,000
Develop core content standards	500,000	705,000	500,000	705,000	500,000	705,000
21st Century assessments	3,000,000	112,500,000	3,000,000	112,500,000	0	3,000,000
<b>Total</b>	<b>\$ 4,375,000</b>	<b>\$ 114,080,000</b>	<b>\$ 4,375,000</b>	<b>\$ 114,080,000</b>	<b>\$ 1,000,000</b>	<b>\$ 4,205,000</b>

The fiscal impact to local school districts to administer and score assessments is estimated to be \$30.3 million annually, beginning in FY 2009, if three new assessments are required in grades 9-12. The cost of new or additional instructional materials, while unknown, would be significant.

### **Sources**

Department of Education  
Institute for Tomorrow's Workforce

Dennis C Prouty

April 16, 2007

---

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

---

## Cost Estimates for Amendment H-1531 to House File 804

Component Description	Department of Education				Institute for Tomorrow's Workforce			
	Assumptions	FY 2008	FY 2009	FY 2010	Assumptions	FY 2008	FY 2009	FY 2010
Development of model core curriculum in grades 9-12	Required for 21st Century preparedness, as well as foreign language, civics, government, economics, art, history, and geography, including emphasis of skills identified in H-1403, page 3, lines 15 through 35.	375,000	375,000		ITW has not provided an estimate of the cost of this component.			
Development of model core curriculum in grades K-8	Development of model core curriculum in grades K-8 in all core content areas.	500,000	500,000	500,000	ITW has not provided an estimate of the cost of this component.			
Development of core content standards	Required in all subject areas listed in Section 256.11, <u>Code of Iowa</u> , that districts are required to offer and teach at a cost of \$1.5 million over three years.	500,000	500,000	500,000	Non-partisan state-level steering committee = \$20,000 annually for three years for meetings and travel.  One additional FTE in Dept. of Education = \$125,000 annually, including benefits, travel, and support costs.  Ten stakeholders meetings per year for three years, including outside experts = \$90,000.  Expert consultation over three years = \$70,000.  Sub-contracting the actual development of standards, curricula, model lesson plans, and teaching strategies = \$500,000 per year for three years.	\$705,000	\$705,000	\$705,000

Component Description	Department of Education				Institute for Tomorrow's Workforce			
	Assumptions	Cost Estimate			Assumptions	Cost Estimate		
		FY 2008	FY 2009	FY 2010		FY 2008	FY 2009	FY 2010
Assessment of 21st Century skills and knowledge	Assessments would be needed in each of the following areas: global awareness; civic engagement; and financial, economic and business literacy. Cost of developing each of three tests = \$60.0 to \$90.0 million over two years.	112,500,000	112,500,000		ITW has not provided an estimate of the cost of this component but provides the following assumptions:  Assessments of student learning will be developed in concert with other states, organizations, experts, and technology providers that are attempting similar improvements in their educational programs. The student assessment system will include administering the ITBS/ITED in reading, mathematics, and science to all students annually; administering the ACT to all 11th graders; administering skills assessments three times during each student's PK-12 career; administering end-of-course assessments for the core high school curriculum (not required by H-1531).			
Total State Cost Estimate		<u>\$113,875,000</u>	<u>\$113,875,000</u>	<u>\$1,000,000</u>		<u>\$705,000</u>	<u>\$705,000</u>	<u>\$705,000</u>
Costs to local school districts to administer and score assessments	Annual cost to administer and score each of three new assessments in grades 9-12, beginning in FY 2009 = \$65 per student per assessment.  Number of students in grades 9-12 in FY 2009 = 155,415		\$30,315,925	\$30,315,925	ITW has not provided an estimate of the costs to local school districts.			
Costs to local school districts for instructional materials	If districts and nonpublic school are mandated to adopt Model Core Curriculum in grades K-12, new or additional instructional materials would need to be purchased. The range of cost for one high school textbook is \$50 to \$90. The statewide cost is not estimated.							